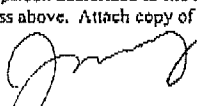


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B 10 (Official Form 10) (12/07)

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA		PROOF OF CLAIM
Debtor against which claim is asserted: (Check only <u>one</u> box below:)		
<input checked="" type="checkbox"/> Circuit City Stores, Inc. (Case No. 08-35653) <input type="checkbox"/> Circuit City Stores West Coast, Inc. (Case No. 08-35654) <input type="checkbox"/> InterTAN, Inc. (Case No. 08-35655) <input type="checkbox"/> Ventoux International, Inc. (Case No. 08-35656) <input type="checkbox"/> Circuit City Purchasing Company, LLC (Case No. 08-35657) <input type="checkbox"/> CC Aviation, LLC (Case No. 08-35658)	<input type="checkbox"/> CC Distribution Company of Virginia, Inc. (Case No. 08-35659) <input type="checkbox"/> Circuit City Stores PR, LLC (Case No. 08-35660) <input type="checkbox"/> Circuit City Properties, LLC (Case No. 08-35661) <input type="checkbox"/> Orbyx Electronics, LLC (Case No. 08-35662) <input type="checkbox"/> Kinzer Technology, LLC (Case No. 08-35663) <input type="checkbox"/> Courchevel, LLC (Case No. 08-35664)	<input type="checkbox"/> Abbott Advertising, Inc. (Case No. 08-35665) <input type="checkbox"/> Mayland MN, LLC (Case No. 08-35666) <input type="checkbox"/> Patapsco Designs, Inc. (Case No. 08-35667) <input type="checkbox"/> Sky Venture Corporation (Case No. 08-35668) <input type="checkbox"/> XSSuff, LLC (Case No. 08-35669) <input type="checkbox"/> PRAHS, INC. (Case No. 08-35670)
NOTE: This form should not be used to make a claim for administrative expenses arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503(a).		
Name of Creditor (the person or other entity to whom the debtor owes money or property): LUBARY, JAMES		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: <u>9596</u> (If known) Filed on: <u>1/30/2009</u>
Name and address where notices should be sent: LUBARY, JAMES 3161 DRUID LANE LOS ALAMITOS CA 90720		
Name and address where payment should be sent (if different from above): <div style="font-size: 48px; text-align: center; margin: 20px 0;">COPY</div>		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ <u>\$408,827</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier — 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan — 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use — 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units — 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)().
2. Basis for Claim: <u>Compensation for Services performed pursuant to that certain Short Term Incentive Plan (See Exhibits attached).</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: <u>68# 6275</u> 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate: _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		Amount entitled to priority: \$ _____ *Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
Date: <u>1/28/09</u> Signature: the person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <div style="text-align: center; margin-top: 20px;">  FORMER REGIONAL VP, CIRCUIT CITY STORES, INC. </div>		FOR COURT USE ONLY <div style="border: 1px solid black; padding: 5px; display: inline-block;"> RECEIVED JAN 30 2009 KURTZMAN CARSON CONSULTANTS </div>

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

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Exhibit A

Short-Term and Long-Term Compensation Calendar, Vice President

See attached.

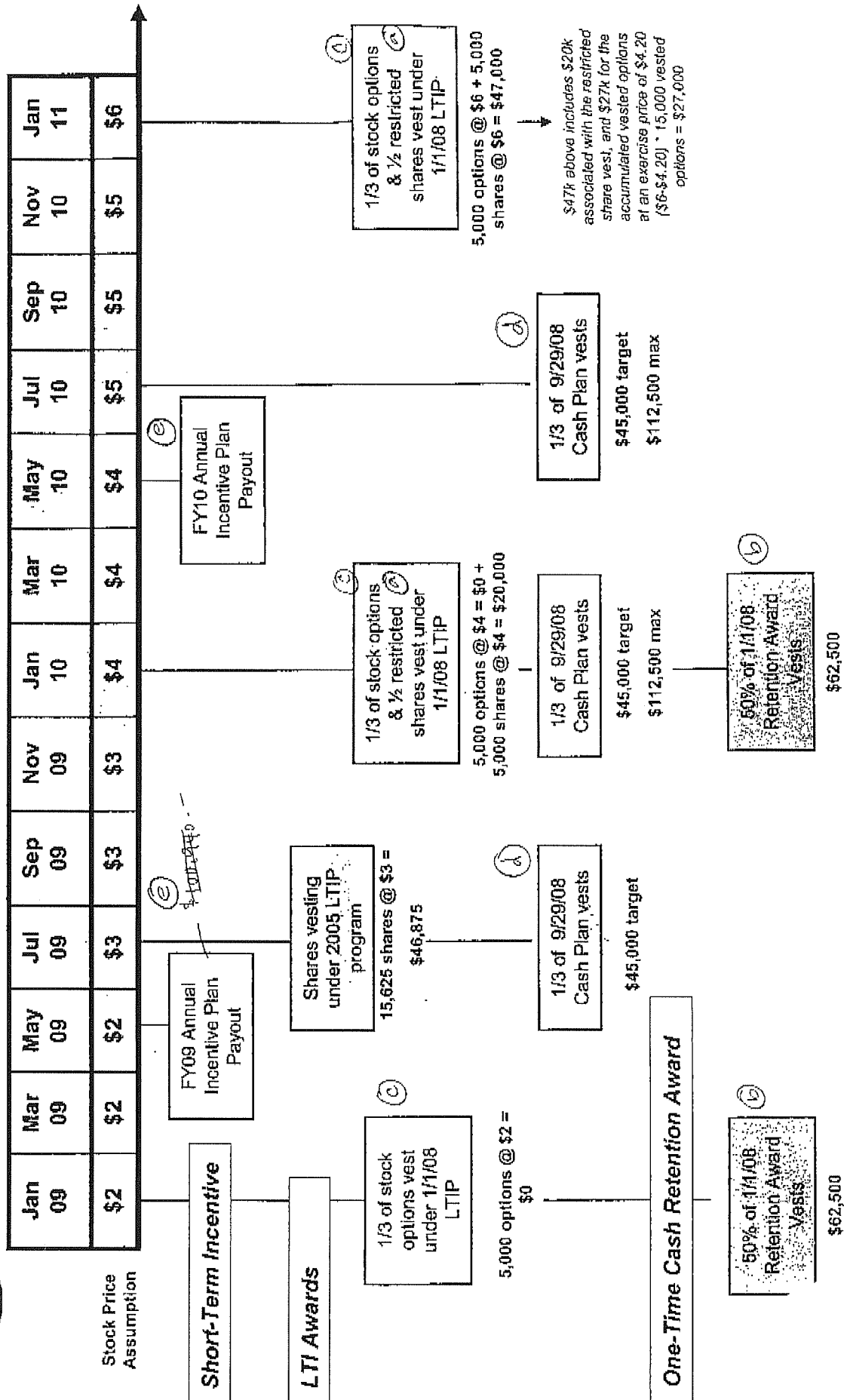
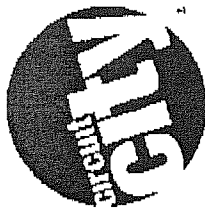
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Short-Term & Long-Term Compensation Calendar

Vice President(1)



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states potential earnings based upon full participation in each program listed and various stock price assumptions.

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Exhibit B

Turnaround Incentive Program, September 30, 2008

See attached.

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① ②



Turnaround Incentive Program

September 30, 2008

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Overview

Leadership is refining and realigning our business, financial and compensation plans.

- **Business Plan:** We are refining our turnaround plan.
- **Financial Plan:** We have partnered with the Board to revise the way we measure second half performance and will use the revised financial plan for our short term incentive plans.
- **Compensation Programs:** We have reviewed and modified many of our programs to ensure they encourage performance and align with our business and financial plans.

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Overview

Recent changes to our compensation programs complement the changes we are now making.

- **April:** We delivered merit increases to Directors and below.
- **March – September:** We finalized the Field Compensation Structure and approximately 2,800 associates received base salary increases.
- **Summer:** We provided increases to approximately 800 associates at Director level and below, at SSC and in the Field, to address competitiveness while taking into consideration performance.
- **Summer:** We removed manager level positions from long-term incentive awards. After taking into consideration market data and performance, the change for many was offset with base salary increases.
- **Summer:** We introduced the HE Incentive plan to all of our stores. Thousands of associates now participate in an incentive plan with significant upside. For the best performers, it provides the ability to double their pay.
- **September:** We modified the Call Center incentive plans creating significant upside for top revenue and attachment producers.



Overview

Additional Changes to our compensation programs as of September 29, 2008.

- **Short Term Incentive Plans**
 - **New Criteria/Financial Targets:** We modified performance criteria and targets for most Management, Retail, The City and Services incentive plans.
 - The changes to the Retail and The City incentive plans have already been communicated so the focus of this document will be on the SSC plan changes and how they have been aligned to support the Stores through the Holiday Season.
- **Long Term Incentive (LTI) Plan**
 - **Earlier Delivery:** We will deliver earlier to help align the team with the turnaround plan.
 - **VP, RVP, District Manager and Director level:** Include in a Long-Term Performance-Based Cash Plan vesting over a 21-month period.



Short Term Incentive Plan -- EVP/SVP Plan

Prior plan:

	Performance Criteria
EVP/SVP Plan	100% EBT as a % of Revenue

Revised plan:

	Performance Criteria
EVP/SVP Plan	50% EBITDA 50% Minimum Availability

Minimum Availability:

- Considered earned and payable as of February 28, 2009 if the Company has Minimum Availability under its then current credit facilities.
- This basically assesses whether we are successfully executing the turnaround plan.
- 100% payout for achieving the Minimum Availability terms. 0% payout for failing to successfully execute.

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Short Term Incentive Plan – VP and Below Plan

Prior plan:

	Performance Criteria
VP and Below Plan	50% EBT as a % of Revenue 50% Individual Performance

Revise plan:

	Performance Criteria
VP and Below Plan	50% 2-3 Team Measures Divided Equally 50% Individual Performance

50% of payout based on 2-3 team specific measures

- Measures vary by team and will have a significant impact on delivering EBITDA results and supporting the Stores through the Holiday Season.
- Payout will be based on partial year performance. Achieving the revised business plan target, associated with each of the measures, will translate to a 75% payout.

50% based on individual performance

- We have maintained the same payout levels based on performance rating: 0% for a 1 or 2 rating, 100% for a 3 rating, 110% for a 4 rating and 120% for a 5 rating.
- You will have a chance in October to calibrate your objectives with the revised business plan.
- Recalibration must be in the PE system by October 31, 2008. Otherwise your payout may be calculated using your original objectives.

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VP and Below Plan: Measures by Team

Your cost center/departement as defined in Peoplesoft (which is aligned with the financial planning and analysis systems) will determine which group you participate in below. There are a few departments where the mix of associates may fall into multiple groups. In these cases all associates in the department will be paid as one group based on how the Senior Executive assigned the group...if there is a discrepancy the department will default to participating in the Support Function plan.

Retail, The City, Multi-Channel and Services Teams

Company Gross Margin \$

Company Expense Reduction

Merchandising Team

Company Gross Margin \$

Payable Days

In Stock

Supply Chain and Inventory Team

Company Gross Margin \$

Company Reduction in At Risk and Distressed Inventory

In Stock

Support Functions

Includes HR/IT/Legal/Marketing/Finance/Procurement/Internal Communications/Real Estate/Construction/Business Transformation/Asset Protection/Distribution

EBITDA

Company Expense Reduction

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Company Gross Margin \$

* Targets are in the process of being reviewed with the Committee to ensure calibration with the final revised business plan. We will provide detailed incentive grids as early as next week when we communicate plan documents.

% Payout	Company Gross Margin \$
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

Domestic Segment Gross Margin \$ from Continuing Operations for the 5 month period from October - February FY09 excluding one-time or impairment charges, as reported by financial reporting.

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Company Expense Reduction

* Targets are in the process of being reviewed with the Committee to ensure calibration with the final revised business plan. We will provide detailed incentive grids as early as next week when we communicate plan documents.

% Payout	Company Expense Reduction
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

Domestic Segment SG&A Expense \$ from Continuing Operations for the 5 month period from October - February FY09 excluding one-time or impairment charges, as reported by financial reporting.



Short Term Incentive Plan – Retail/The City/Services

- Changes to the Retail, The City and the Services Incentive Plans have already been made and were communicated last week. Changes are effective October 1, 2008.
- The RVP plan was modified to replace EBT as a % of Revenue with Gross Margin \$. Gross Margin \$ will be based on Region performance.
- The threshold performance levels have been reduced so that payouts begin at 80% attainment instead of 90% for Sales Revenue, Gross Margin and Net Operating Profit measures.
- All payouts are being calculated based on targets from the revised business plan, which creates more attainable and aspirational goals.

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Long Term Incentive Plan – LT Cash Plan VPs, RVPS, District Managers and Directors

- A long-term cash plan, with performance vesting and the potential to earn up to 200% of the target amount based on achievements above targeted performance. The grant vests between now and 7/1/2010.
- A September 29, 2008 grant similar to past grant practices. This plan does not require shareholder approval.

	CCS Count	InterTAN Count	Target LT Value
VP and RVP (Levels L13 and L14)	52	3	\$135,000
SSC Director (Levels L10-L12) and Field Positions (Levels S14-S15)	263	13	\$40,000

- Vesting and performance measures
 - 1/3 vesting on July 1, 2009 – earned as far as vesting as of February 28, 2009 if the Company has Minimum Availability under its then current credit facilities (as such existing or new credit facilities have been amended; modified, superseded and supplements as of February 28, 2009). In other words, the first third of the award will be paid for successfully executing the turnaround plan.
 - 1/3 vesting on January 1, 2010 – total shareholder return based upon the increase in stock price from the grant date.
 - 1/3 vesting on July 1, 2010 – total shareholder return based upon the increase in stock price from the grant date.
- Future new hires and promotions will receive prorated grants.
- The next annual award for this group is targeted for May 1, 2010.

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Long-Term Cash Plan – Director Example

Performance Period	10/1/2008 – 7/1/2009	10/1/2008 – 1/1/2010	10/1/2008 – 7/1/2010	Total
Target Payout \$ ⁽¹⁾	\$13,333	\$13,333	\$13,333	\$40,000
Max Payout \$	\$13,333	\$33,333	\$33,333	\$80,000
Performance Measure	Milestones: • Minimum Availability	Total Shareholder Return (TSR) ⁽²⁾	Total Shareholder Return (TSR) ⁽²⁾	
Payout Matrix ⁽³⁾	Successful completion = 100% payout	\$3 (100% TSR) – 75% payout \$4 (167% TSR) – 100% payout \$5 (233% TSR) – 125% payout \$6 (300% TSR) – 175% payout \$7 (367% TSR) – 200% payout \$8 (433% TSR) – 225% payout \$9 (500% TSR) – 250% payout	\$4 (167% TSR) – 75% payout \$5 (233% TSR) – 100% payout \$6 (300% TSR) – 125% payout \$7 (367% TSR) – 175% payout \$8 (433% TSR) – 200% payout \$9 (500% TSR) – 225% payout \$10 (567% TSR) – 250% payout	

(1) Payout amounts not earned can be made-up during future vesting periods. Make-up amounts cannot exceed targeted amounts for the period missed (i.e. no upside can be applied to unearned amounts).

(2) TSR calculation is based off the percentage increase in share price from the date of award (10/1/08) to the date of vest. For purposes of the payout matrix, it is assumed that the share price on the grant date is \$1.50.

(3) The payout levels in the final vesting period may need to be assessed for modification depending on the share price at the 2nd vest on 1/1/2010.

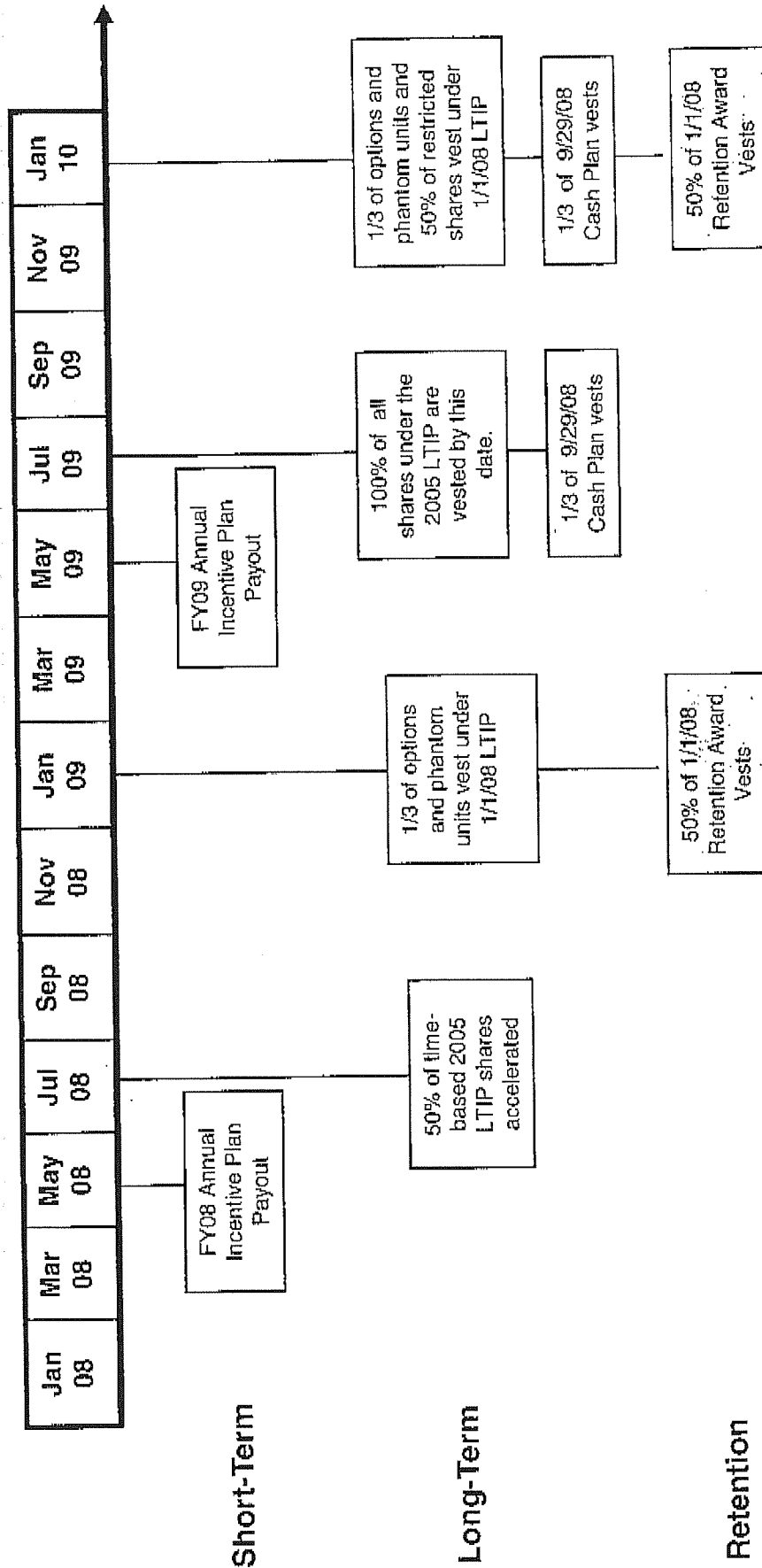
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Short & Long-Term Compensation Calendar VP & Director Levels



Circuit City
FY09 Turnaround Incentive Plan – Measurement Details



Note: This document contains sensitive company financial information and is only being distributed to Vice Presidents and above, not the general employee population. For competitive reasons, this document should not be photocopied or scanned for paper or electronic distribution to associates.

Considering the competitive risk associated with broadly disseminating the financial / operational targets we have identified for the turnaround incentive plan, we decided not to include the specific performance numbers in the incentive plan document.

We are forwarding to you the specific financial / operational targets that have been identified for your team for the period from October 2008 through February 2009.

We expect that you will share this information with your team to make them aware of the challenge / opportunity that lies ahead and to help them focus on identifying how they can achieve these performance figures. The performance figures were arrived at after much deliberation and we believe we have the ability to achieve target performance (or better) on the team measures as set out in the plan.

We expect that you will share our current performance against the measures (where available) in this document and we anticipate updating associates on a periodic basis to clarify how we are progressing.

If you have questions regarding the contents of this document or the request that it not be distributed, please contact Reggie Hedgebeth, Eric Jonas or Mike Nichols.

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Support Team Measures for VP 10 17 08

Page 1

Support Team

Team Measures: Incentive Grids

EBITDA – Domestic earnings before interest, taxes, depreciation & amortization (generally – cash flow generation)

Payout %	EBITDA
25%	\$196 Million Below Business Plan
50%	\$97 Million Below Business Plan
75%	Revised Business Plan
100%	\$88 Million Above Business Plan
125%	\$177 Million Above Business Plan

Company Expense Reduction – Measured against budgeted operating expenses (Domestic SG&A or Selling, General & Administrative expenses)

Payout %	Attainment %	SG&A \$ (Millions)
25%	102%	\$1,190
50%	101%	\$1,180
75%	100%	\$1,170
100%	97%	\$1,140
125%	95%	\$1,110

Note: If every Director and above reduced expense by \$100,000 we could achieve a payout of 75% or higher. Each of us can greatly impact this measure.

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Support Team Measures for VP 10 17 08

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Circuit City Turnaround Incentive Plan

Plan Number: CC05
Effective Date: March 1, 2008 to February 28, 2009
Eligibility: Vice Presidents Professionals in Level 4 or higher
Directors Regional HR Directors
Managers Asset Protection
Incentive Target: Varies by position

Objective

The goal of the incentive plan is to align your pay at risk with the company goals and drive a positive return for our shareholders.

Measures

The incentive plan includes:

	Based on	Weight	Performance Period
Team	2 - 3 measures that vary by team	50%	10/1/08 - 2/28/09
Individual	Individual Performance	50%	3/1/08 - 2/28/09

Team Measures

Results will be based on the performance measures assigned by team below and reported by the finance department for the period 10/1/08 - 2/28/2009.

Retail and The City Teams

Company Gross Margin \$
Company Expense Reduction
Customer Experience

Multi-Channel & Services Teams

Company Gross Margin \$
Company Expense Reduction

Merchandising Team

Company Gross Margin \$
Payable Days
In Stock

Inventory & Space Planning Team

Company Gross Margin \$
Company Reduction in At Risk & Distressed Inventory
In Stock

Support Team (Asset Protection, Communications, Construction, Distribution, Finance, HR, IT, Legal, Logistics, Marketing, Procurement, Real Estate)

EBITDA
Company Expense Reduction

Incentive Calculation

- The incentive payout will be calculated using the incentive grids appearing on page 2 and following.
- Payout percentage is interpolated between the levels on the incentive grid (except for Grids presented as a range) if actual attainment falls between the levels noted on each grid. Achievement will be determined based on actual results. All determinations regarding the achievement of the performance goal will be made by the Compensation Committee of the Board.
- Results may be adjusted to back out the full year impact related to material one-time or non-recurring events (e.g. sale of Intertan) or material charges (e.g. restructure charge). A change or benefit is deemed to be a material nonrecurring event if it is classified as a discontinued operation or characterized as such in filings with the SEC or if the event would significantly alter the incentive payout calculation. Store openings and closings will be budgeted in accordance with the real estate plan. Material variances created by more/less openings/closings than planned may be adjusted so that they will not affect the payout. All material unbudgeted events will be included or excluded at the discretion and approval of the Compensation Committee.

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FY09 CC05 Turnaround Incentive Plan 10 17 08

Team Measures: Incentive Grids

EBITDA – Domestic earnings before interest, taxes, depreciation & amortization (generally – cash flow generation)

Payout %	EBITDA % Attainment
25%	Below Revised Business Plan
50%	Below Revised Business Plan
75%	100% of Revised Business Plan
100%	Above Revised Business Plan
125%	Above Revised Business Plan

Note: The actual metrics for this performance measure will be provided to your management team and our progress will be shared with you on an ongoing basis.

Company Gross Margin \$ – Domestic sales revenue minus cost of goods sold to include discounts, coupons, rebates, promotional finance cost, vendor funding offsets, and inventory adjustment cost.

Payout %	Attainment %
25%	85%
50%	93%
75%	100%
100%	105%
125%	110%

Company Expense Reduction – Measured against budgeted operating expenses (Domestic SG&A or Selling, General & Administrative expenses)

Payout %	Attainment %
25%	102%
50%	101%
75%	100%
100%	97%
125%	95%

Note: If every Director and above reduced expense by \$100,000 we could achieve a payout of 75% or higher. Each of us can greatly impact this measure.

In Stock – Percentage of time that products classified as key items, never out of stock skus, or promotional skus are available in stores for customers.

In Stock is defined based on:

1. Actual Display Units \geq Planogram Display Units, and
2. Total Closed Box On-Hand Units \geq 1 Sellable Closed Box Unit

Payout %	Attainment Range – Promo / Key Item Never Out
25%	90% - 91.5%
50%	91.6% - 93%
75%	93.1% - 94.5%
100%	94.6% - 96%
125%	>96.1%

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FY09 CC05 Turnaround Incentive Plan 10 17 08

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At Risk / Distressed Inventory

- At Risk/Distressed Inventory defined as On Planogram Not Replenished or Not on Planogram Not Replenished
- Average Attainment Goal \$ are based on the average of five months of Planned At Risk/Distressed Inventory levels.
- Actual Data extracted from the EDW inventory tables

Payout %	Average Attainment Goal %
25%	83.5% to 87.1%
50%	87.2% to 91.1%
75%	91.2% to 95.5%
100%	95.6% to 100%
125%	>100%

Payable Days

Domestic Merchandise Days Payables as calculated below:

$$\left[\frac{\text{Average of Beginning of Period \& End of Period Merchandise Payables}}{\text{Domestic Cost of Goods Sold for Period}} \right] \times \# \text{ of Days}$$

Note:

- Payable days will be measured against Q3 results and Q4 results separately and the resulting payout % of both will be averaged.
- Merchants should attempt to negotiate seasonal dating "longer payment terms" with vendors for shipments that support holiday sales. These payment terms would revert back to the normal payment days for any orders placed after 12/31/08.

Payout %	Attainment %
25%	88%
50%	94%
75%	100%
100%	106%
125%	112%

Customer Experience

- Based on mystery shop scores that incorporate 5 new or modified questions based on the Store Execution Plan. As many as 10 mystery shops per store will be completed; the measure is based on total company results.
- Metric will be based on improvement over November baseline.
- **Note:** The grid will be finalized once the baseline is established and can be reviewed with the Compensation Committee.

Payout %	Improvement Over November Baseline
25%	TBD
50%	TBD
75%	TBD
100%	TBD
125%	TBD



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FY09 CC05 Turnaround Incentive Plan 10 17 08

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$$252,000 \times 40\% = 100,800 \times 75\% = 75,600$$

$$75,600 \times 33\% = 24,948$$

Team Measures -Calculation

- Annual Incentive Target \$ = FY09 Eligible Earnings x Incentive Target as of December 1st
- Team Measure Incentive Target \$ = 25% each (2 Team Measures) or 16.67% each (3 Team Measures) x Annual Incentive Target \$
- Team Measure Incentive Payout \$ (For each Team Measure) = Team Measure Incentive Target \$ x payout percent based on achievement against incentive grid

Example assuming revised business plan goal is achieved (100% of goal achievement = 75% payout percentage)

- Annual Incentive Target \$ = \$60,000 x 10% = \$6,000
- Team Measure Target \$ = \$6,000 x 50% = \$3,000
- Individual Team Measure \$ Targets (2 Measures) = \$3,000 x 50% = \$1,500
- Team Measure 1 Payout = \$1,500 x 75% = \$1,200
- Team Measure 2 Payout = \$1,500 x 75% = \$1,200
- Total Team Measure Payout \$ = \$1,200 + \$1,200 = \$2,400

$$(GM) 10,500 \times 75\% = 7,875$$

$$(EXP) 10,800 \times 75\% = 8,100$$

$$(CH-T) 10,500 \times 75\% = 7,875$$

$$7,875 + 8,100 + 7,875 = 23,850$$

Individual Performance

An individual's performance will be based on achievement against a documented performance plan that is in writing and submitted by the individual's manager through the performance evaluation (PE) system. Lack of a submitted performance plan may result in exclusion for this measure of the plan. The final rating will be used to calculate the incentive payout based on the table below. The final overall rating must be a 3, 4 or 5 to remain eligible for a payout under any measure (team or individual) of the plan.

Source of Performance Data

- Performance evaluation as reported in the performance evaluation system

Formula

- The payout will be calculated using the following matrix.
- The "individual payout %" shown below is based on a normal distribution of PE ratings. If the performance distribution is skewed with a higher number of 4's and 5's than anticipated then an adjustment to all payouts may need to be made to ensure the total overall payout is funded.

Final Overall Rating	Individual Payout %
5	120%
4	110%
3	100%
2	0%
1	0%

$$50,400 \times 120\% = 60,480$$

$$50,400 \times 100\% = 50,400$$

Calculation

- Annual Incentive Target \$ = FY09 Eligible Earnings x Incentive Target as of December 1st
- Individual Performance Payout \$ = Annual Incentive Target \$ x Individual Payout % x Weight (50%) x Adjustment (if necessary)

Example assuming a Final Rating of 3

- Annual Incentive Target \$ = \$60,000 x 10% = \$6,000
- Individual Performance Payout \$ = \$6,000 x 100% x 50% = \$3,000

Management Incentive Plan Total Payout \$

Team Measure Payout \$ + Individual Performance Payout \$ = \$2,400 + \$3,000 = \$5,400

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Administrative Guidelines

Following are the administrative guidelines that apply to the plan.

Performance Period

Payments are calculated for a specified and fixed period of time (the "Performance Period") and performance is measured only at the end of the Performance Period. The Performance Period for the Team measures is October 1, 2008 to February 28, 2009, with the exception of payable days which will be measured based on full Q3 and Q4 performance. For the individual measures the performance period is March 1, 2008 to February 28, 2009.

Eligible Earnings and Incentive Target

- Eligible Earnings are defined as regular base pay earned during the Performance Period. It does not include any premium or differential, cost of living, or other items such as incentive pay, sign-on bonuses, short-term disability, etc.
- The incentive target as of December 1st will be used to calculate the incentive payout. The incentive target is represented as a percentage and is based on the salary level of your position.

Eligibility

- Status: only full-time associates who are in an incentive eligible position, as of December 1st, are eligible to participate in the plan. Associates hired on or after December 1st are not eligible.
- Termination: The plan is intended to attract and retain associates. Therefore, as a condition of receiving an incentive payout, an associate must remain employed with the Company on a full-time basis through and including the date of payout. An associate who terminates employment for any reason or changes to part-time status prior to the date of payout will not receive a payout, except to the extent required by law.
- Associates on an approved leave of absence of any type on the date of payment may be eligible for incentive payout upon the return to work. As allowed by law, associates who fail to return to work for any reason following an approved leave of absence will not receive a payment under the plan.
- Associates must receive a final overall rating of 3, 4 or 5 to remain eligible for a payout.

Timing and General Terms

- Payments are calculated and targeted for distribution to associates no later than 2 ½ months after the end of the Performance Period.
- Payroll taxes will be withheld from incentive payments in accordance with federal, state and local law.
- 401(k) and ESPP plan contributions will be deducted from an incentive payment in accordance with an associate's election under each plan and subject to the respective plan limits.
- Health and Welfare deductions will not be taken from an incentive payment.

General Conditions of the Plan

The Company reserves the right to terminate, amend, modify and/or restate the plan (in whole or in part) at any time and without advance notice.

An eligible participant's employment with the Company is at will and is terminable at any time, with or without cause, and with or without notice. The plan shall not be construed to create a contract of employment for a specified period of time between the Company and the participant.

No incentive will be earned for a Performance Period in which it has been determined that an associate has manipulated the plan, falsified information or engaged in any other conduct that in the opinion of the Company has attempted to thwart, subvert, or contravene the intent of the plan or any other measure or condition of the plan.

Due to the complex nature of variable pay plans it is impossible to cover every aspect. The clarification and resolution of any issue not clear from this plan will be determined at the sole discretion of the President & CEO and/or Senior Vice President of Human Resources.

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Exhibit C

Summary of Claims Arising from Short Term Incentive Plan

Pursuant to page 6 of the Turnaround Incentive Program, dated September 30, 2008, (attached as Exhibit A) provided to James Lubary by Circuit City Stores, Inc., as a Vice President, James Lubary was entitled to a target of 40% of his base salary \$252,350 or \$100,940. Employees can exceed these targets by exceeding certain individual and team goals. Lubary is entitled to the following:

- Team Incentive: 50% of \$100,940 = \$50,470
 - 1/3 Gross Margin: $\$16,823 \times 75\%$ (target achieved per plan) = \$12,617
 - 1/3 Expense Reduction: $\$16,823 \times 75\%$ (target achieved per plan) = \$12,617
 - 1/3 Customer Experience: $\$16,823 \times 125\%$ (improve over baseline) = \$21,029

SUBTOTAL: \$46,263
- Individual Performance: 50% of \$100,940 = \$50,470
 - Final Overall Rating Projected: 5 = $120\% \times \$50,470 = \$60,564$
- **TOTAL: \$106,827**

This claim was listed in Schedule F by Circuit City Stores West Coast, Inc.; however, we believe the claim properly lies with Circuit City Stores, Inc. and have filed the claim against both debtors.